

STATE OF MICHIGAN
FAMILY INDEPENDENCE AGENCY

MEMORANDUM

To: Lynda Crandall, Director
Family Independence Services Administration

July 22, 1999

Jim Nye, Director
Outstate Operations

Jerome Rutland, Director
Wayne County Operations

From: Rita Barker, Director
Office of Internal Audit

Subject: Audit of Day Care Providers in Wayne and Genesee Counties
Period: 7/1/98 - 8/31/98
Assignment #99-058

Subsequent to our audit of the Day Care Program (Assignment #98-220), we performed a review of additional day care providers in Wayne and Genesee Counties. The objectives of this review were to determine if the providers had attendance records to document that the amount they were paid by FIA was appropriate, and to determine if the FIA local/district offices had adequate documentation to verify that the recipients of the day care services were eligible to receive day care services in the amount that was paid for by FIA.

Based on this review, we found the following:

Findings

Casefiles we reviewed at the Wayne and Genesee District Offices were missing the same forms and documentation as reported in our previous audit report.

Seven of the 12 day care provider sites we visited did not have attendance records.

Many providers destroyed their attendance records once payment was received from FIA, even though the Day Care Provider Handbook requires them to retain them for 7 years. (3 years when the new Handbooks are issued.)

We have no additional recommendations that were not included in the report for Assignment #98-220.

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